

## Message Text

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMEMBASSY MOSCOW

INFO CINCPAC

COGARD

GOV GUAM

TREASURY

UNCLAS STATE 178183

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: JULY 19 EA PRESS SUMMARY

### 1. KOREA

AMB HAHM FRIDAY DENIED REP PASSMAN (LA) EVER COERCED ROKG HIRE ST JOHN MARITIME AS SHIPPING AGENT. SAID ROK "SOVEREIGN COUNTRY" NOT SUBJECT COERCION "BY ANYBODY" (UPI, WP 7/17).

29 UNIFICATION CHURCH MEMBERS VACATED GEO MASON HOTEL, ALEXANDRIA, VA, THURSDAY WHEN CITY FIRE MARSHAL INSPECTION DISCLOSED BUILDING DID NOT MEET FIRE STANDARDS (HOLT, WSTAR 7/16).

### 2. INDOCHINA

SAWYER (WP 7/18) DOES LONG PIECE ON PLIGHT MIA FAMILIES.

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MENTIONS NATL LEAGUE PRESSURES CONGRESS MAINTAIN "MISSING" STATUS, BENEFITS TO KIN.

### 3. INDOCHINESE REFUGEES

LAOS SAYS NEARLY 1000 REFUGEES HAVE RETURNED TO CHAMPSAK PROV IN PAST 6 MOS, TO RESUME NORMAL LIFE AFTER BEING RE-EDUCATED" (AFP, NYT 7/18).

TWO GROUPS VIET REFUGEES ARRIVE JAPAN ABOARD FREIGHTERS THAT PICKED THEM UP FROM DRIFTING SMALL BOATS OFF VN. GOJ LETS LAND; 1ST GROUP HOUSED AT UN FACILITY UNTIL 3RD COUNTRY OFFERS RECEIVE THEM (REUTER 7/18 NYT, WP).

VALENTE (WP) TELLS OF VIET EX-MERCHANT SKIPPER IN WASHINGTON WHO WRITES MEMOIRS OF APR 30, 1975, WHEN HE TOOK 4000 REFUGEES ON BATTERED, MALFUNCTIONING CARGO SHIP AT SAIGON, THEN DRIFTED IN S CHINA SEA UNTIL PICKED UP, BROUGHT TO HK. CAPT HOPES COMMAND US MERCHANT SHIP SOME DAY.

#### 4. THAILAND

US WILL GIVE RTG COMMO EQUIPMENT USED BY MIL FORCES BEFORE WITHDRAWAL, WILL SELL 15,000 TONS AMMO TO THAI GOVT. IN RETURN, PLANES WILL BE GIVEN LIMITED LANDING RIGHTS FOR REFUELING, EMERGENCY REPAIRS (WP 7/17).

BRADSHAW (WSTAR 7/17) NOTES US MIL PRESENCE CUT TO BONE, WITH 263 MIL ADVISERS LEFT AFTER TUES. ADDS DISCUSSIONS WELL ADVANCED FOR US TECHNICIANS CONTINUE OPERATE SEISMIC RESEARCH STATION AT CHIANG MAI.

NARC AGENTS AT 5-DAY CHIANG MAI CONFERENCE AGREE TO JOINT PLAN TO SQUELCH OPIUM FLOW FROM "GOLDEN TRIANGLE" (UPI, GLOBE 7/18). NYT (7/17) REPORTS OFFICIALS FROM 14 EUR, ASIAN COUNTRIES AT MTG TOLD BURMA, LAOS AGREE CUT PRODUCTION, CURB TRAFFIC. DISCUSSION ORGANIZED BY INTERPOL, WITH DELEGATES FROM SINGAPORE, INDONESIA, PHILS, MALAYSIA, THAILAND, HK, SWEDEN, DENMARK, UK, NETHERLANDS, BELGIUM, FRANCE, SWITZERLAND, AND FRG EXCHANG- UNCLASSIFIED

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ING INFO.

ANDELMAN (NYT 7/17) AT BETONG NEAR MALAYSIAN BORDER NOTES 2 GOVTS THERE: RTG, AND HIDDEN GOVT RUN BY COMMUNISTS. SAYS TOWN HAS BECOME FOCUS ATTENTION RTG, MALAYSIAN GOVT SO MAY LOSE PLACID WAY OF LIFE. DESCRIBES COMMUNIST "LAW AND ORDER," ATTITUDES OF INHABITANTS, MAINLY ETHNIC CHINESE.

ALMOST MILLION THAIS HAVE VD, WITH MOST SUFFERERS STUDENTS 15-25 YRS OLD (AFP, WP).

#### 5. JAPAN

YEN DROPPED SHARPLY TOKYO FOREX MART FRIDAY, AGAINST DOLLAR. CLOSED AT 294.60, AFTER REACHING 292.60/DOL IN

IN THREE DAYS HECTIC TRADING. EUR, SEA BUY-YEN ORDERS SLACKED OFF. MOF FIGURES RELEASED FRIDAY SHOWED 20 PCT INCREASE IN IMPORTS JUNE, TO 5.4 BILLION DOLS. EXPERTS SAY DOLLAR RATE WILL "HOVER" AROUND 293 IN NEAR FUTURE (MALCOLM, NYT 7/17). BANK SOURCES SAY YEN WOULD HAVE CLIMBED HIGHER EXCEPT FOR MASSIVE BANK OF JAPAN INTERVENTION TO SUPPORT DOLLAR (THARP, WSJ ).

ITI MIN KOMOTO TOLD PRESS FRIDAY REPORTED TO CABINET THAT JAPAN MAY RECORD 6-7 BILLION DOL TRADE SURPLUS JFY 76. HOPED ALLAY CONCERN YEN APPRECIATION WOULD HAMPER EXPORT GROWTH. EXPRESSED OWN BELIEF 300 YEN FOR DOLLAR WOULD BE "REASONABLE" EXCHANGE RATE. FIN MIN OHIRA TOLD PRESS PROMISED CABINET MOF/BANK OF JAPAN WOULD ENTER FOREX MART TO DAMP EXCESSIVE YEN RATE FLUCTUATION (CULLISON, JOC; REUTER, NYT).

WSJ GLOBAL REPORT CITES GOJ OFFICIALS WHO DOUBT RECURRENCE SEVERE INFLATION. SAY IMPORTS ENCOURAGED TO KEEP DOMESTIC PRODUCT PRICES COMPETITIVE, BOJ KEEPING TIGHT REIGN ON MONEY SUPPLY, NEW PUBLIC SPENDING WEIGHTED CAREFULLY, SPRING WAGE INCREASES AVERAGED ONLY 9 PCT.

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MITI REVISED MAY INDUSTRIAL OUTPUT FIGURES. SHOW 1.8 PCT DECLINE COMPARED APRIL (REUTER, NYT 7/16).

SPOKESMAN SAID FRIDAY NIPPON KOKAN AGREED SUPPLY USSR 500,000 MT CAPACITY COLD-ROLLED STEEL ANNEALING PLANT/ TECHNOLOGY, VALUED 52 MILLION DOLS. WILL BUILD AT NOVO LIPETSK WORKS, 373 MILES S MOSCOW. JAPAN'S FIRST STEEL PLANT TECHNOLOGY EXPORT TO SOV (NYT 7/17).

SUPREME COURT JUDGE OKADA/ASST JUDGE HORIGOME FLEW LA SATURDAY. PLAN MEET JUDGE FERGUSON, DISCUSS GUARANTEE IMMUNITY TO KOTCHIAN, WHICH SET AS CONDITION FOR RELEASE HIS TESTIMONY ON LOCKHEED PAYOFFS JAPAN. DECISION WILL AFFECT TESTIMONY OF CLUTTER, ELLIOT, YET TO BE TAKEN (AP, SUN 7/18).

MALCOLM (NYT 7/18) REVIEWS DIFFERING CONCEPTS IMMUNITY IN US/JAPAN CONSTITUTIONAL LAW. NOTES JAPANESE PRESS SWARMING AROUND LA COURTHOUSE IMPATIENT WITH LEGAL DELAYS, POINT OUT THREE LOCKHEED WITNESSES CAN GIVE SELVES IMMUNITY BY NEVER GOING TO JAPAN.

#### 6. CHINA

PRC ACCUSED SOVIETS OF INVOLVEMENT IN RECENT SUDAN COUP ATTEMPT. NCNA CLAIMED MOSCOW PROVIDED WEAPONS/TRAINING IN "CONSPIRACY" OVERTHROW JAAFAR NIMEIRI; STATED USSR REGARDED SUDANESE AS "THORN IN ITS FLESH" BECAUSE IT OPPOSED SUPERPOWER HEGEMONY/IMPERIALISM (REUTER, HONG KONG, 7/17). REUTER ITEM 7/17 SAYS NCNA ALSO ACCUSED SOVIETS OF RECRUITING MERCENARIES TO CARRY OUT AGGRESSION IN ANGOLA. PRC STATED SOVIET PROPOSAL FOR INTL CONVENTION ON MERCENARY PREVENTION MERELY TACTIC OF "SCOUNDRELS" ATTEMPTING DIVERT WORLD ATTENTION FROM FACT USSR "BIGGEST CMDR OF MERCENARIES."

DOS SOURCES SAID 7/16 HAK REFUSED CANADIAN INVITATION ATTEND OLYMPICS BECAUSE US ENDORSES TAIWAN'S RIGHT COMPETE AS ROC (AP, NYT 7/17).

CANADIAN SECSTATE FOR EXT AFFAIRS MACEACHEN SAID AT MON- UNCLASSIFIED

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TREAL NEWS CONFERENCE THAT PEKING'S AMB HAD OBJECTED VIGOROUSLY TO GOC'S LAST-MINUTE COMPROMISE OFFER TO TAIWAN. MACEACHEN DEFENDED GOVT'S POSITION, SAYING "WE BOWED ONLY TO ONE SINGLE PRESSURE...THE NECESSITY OF CONTINUING OUR POLICY ON CHINA" (TRUMBULL, NYT 7/17).

TAIWAN OLYMPIC CMTE SPOKESMAN TERMED RECENT POLITICAL DISPUTE "DARK POINT" IN OLYMPIC HISTORY; SAID IOC'S FINAL PROPOSAL "IMPROPER" AND AGAINST IOC RULES (AP, WP 7/17).

ONE-TIME MANCHURIAN WARLORD CHANG HSUEH-LIANG STILL ALIVE, CAPTIVE ON TAIWAN. CHANG IN DETENTION SINCE 1936, WHEN HE SEIZED CKS, THEN RELEASED HIM IN EXCHANGE FOR PLEDGE FORM UNITED FRONT WITH COMMUNISTS AGAINST JAPAN. TAIWAN AUTHORITIES SAY CHANG NOT OFFICIALLY HELD CAPTIVE, BUT LIVES IN "VOLUNTARY HERMITAGE"--ALTHOUGH GUARDS ACCOMPANY HIM WHEREVER HE GOES (BUTTERFIELD, NYT 7/18).

LOCAL ORGANIZERS OF ANNUAL US-SOVIET TRACK MEET, CHAGRINED OVER FATE TAIWAN OLYMPIC TEAM, HAVE PERSUADED AMATEUR ATHLETIC ASSOCIATION EXTEND INVITATION FOR TAIWAN COMPETE THIS YR AT UNIV OF MD. NO IMMEDIATE REACTION FROM TAIWANESE OR SOVIETS; AAU'S DIRECTOR SAYS WILL SEEK SOVIET APPROVAL SHOULD TAIWAN DECIDE ACCEPT (TAAFFE, WSTAR 7/16).

KAPLAN (NYT) INTERVIEWS LOBSANG SAMDEN, BROTHER TIBET'S EXILED DALAI LAMA, WHO NOW LIVES IN NJ WORKING AS HIGH SCHOOL CUSTODIAN. SAMDEN LEFT LHASA YR BEFORE COMMUNIST CHINESE TAKEOVER, NEVER RETURNED. SAYS FAIRLY HAPPY IN

US, BUT HOPES SOMEDAY RETURN TIBET.

MUNRO (CSM), IN PEKING, DOES TRAVELOGUE-TYPE PIECE ON  
PRC'S WINTER WHEAT CROP HARVEST. NOTES SKEPTICAL FOREIGN-  
ERS OFTEN UNDERESTIMATE COUNTRY'S ABILITY MOBILIZE MILLIONS  
IN ORDER SALVAGE LESS-THAN-PROMISING CROP.

VAN ZANDT (CSM), IN TAIWAN, INTERVIEWS LINDA WU, EDITOR  
TAIPEI MONTHLY MAG "ECHO", WHICH COVERS CHINESE HISTORY/  
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CULTURE/ART. MAG FIRST APPEARED 1971; NOW SENDS 60 PCT ITS  
20,000-COPY CIRCULATION ABROAD.

GREEK LINE'S "DAPHNE" WILL VISIT CANTON FOR 3 DAYS DURING  
NEXT WINTER'S 88-DAY CRUISE. SHIP WILL BE FIRST WESTERN  
VESSEL PERMITTED VISIT PRC PORT (WSTAR 7/18).

-CHARD ORR ARTICLE (CHITRIB) ON WORLD DROUGHT CARRIES  
USDA'S FAS STATEMENT THAT DUE TO POOR WEATHER CONDITIONS,  
PRC "MAY BE HARD PRESSED" EQUAL 1975 RECORD HARVEST GRAINS/  
SOYBEANS.

#### 7. INDONESIA

GOI ANNEXES E TIMOR IN DEFIANCE UN AS SUHARTO SIGNS BILL  
MAKING FORMER COLONY INDO'S 27TH PROV (WP 7/18; UPI,  
GLOBE 7/18; REUTER NYT 7/18).

BALI QUAKE TOLL NOW SET AT 519, WITH 18,000 LIVING IN TENTS  
DUR FURTHER TREMORS. IRIAN JAYA QUAKE TOLL ESTIMATE  
CUT BACK TO 443 FROM EARLIER 5-6000. AUSSIE SHIP SENDS  
MED TEAM TO BALI. US GIFT OF 3000 BLANKETS, 200 TENTS  
FOR IRIAN JAYA VICTIMS CONSIDERED UNNECESSARY DUE LOCAL  
LIFE-STYLE; MAIN NEED IS FOR COPTERS TO FERRY IN  
SUPPLIES (MCDONALD, WP).

#### 8. OLYMPICS

SPORTS SECTIONS ALL PAPERS GIVE PROMINENT COVERAGE TAIWAN  
DECISION NOT PLAY DESPITE IOC RULES CHANGE TO LET COMPETE  
WITHOUT USING NAME "REPUBLIC OF CHINA," AND BOYCOTT  
BY MAINLY-AFRICAN NATIONS DUE NZ PARTICIPATION. AP (SUN)  
PUTS TOTAL DROPOUTS AT 28.

#### 9. AUSTRALIA

US BANKRUPTCY JUDGE GALGAY HAS RULED REA ASSETS SHOULD  
BE SOLD TO US SUBSIDIARY OF WORLD-WIDE FIRM BASED  
SYDNEY, THOMAS NATIONWIDE TRANSPORT LTD (WILLIAMS, WSJ).  
(WILLIAMS, WSJ).

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10. GENERAL

ALTERNATE ENERGY COALITION (MONTAGUE, MASS) PRESS RELEASE  
SAYS CONSTRUCTION NUCLEAR POWER PLANTS IN SEA WOULD  
RESULT IN HEAVY FINANCIAL BURDENS, OVERDEPENDENCE ON  
WESTERN/SOV TECHNOLOGY, PROLIFERATION NUCLEAR ARMS.  
ALSO ARGUES PLANTS POSE SERIOUS PROBLEM IN STORAGE/DISPOSAL  
NUCLEAR WASTES. BASED ON STUDY OF NUCLEAR ENERGY  
THAILAND, MALAYSIA, INDONESIA, JAPAN, SINGAPORE (AP  
BANGKOK, SUN 7/17).

11. INDOCHINA

NYT 7/18) NOTES HANOI MAKING OVERTURES TO NEIGHBORS.  
SHIFT BELIEVED RELATED DIMINISHING US PRESENCE THAILAND,  
UNEASY RELATIONSHIP WITH PEKING. CONTRASTS SOFTENING  
FOPOLICY WITH TOUGHENING INTERNAL POLICY TOWARD SVN.

CHIS-T (7/14) NOTES VN MOVES IMPROVE RELS WITH NEIGHBORS.  
BELIEVES DUE BEGINNINGS VN-PRC FEUD OVER OFFSHORE ISLANDS,  
DOMESTIC PROBLEM OF DEALING WITH SVN. POINTS OUT SO  
FAR VICTORS HAVE NOT SHOWN VINDICTIVENESS, UNLIKE  
CAMBODIA; BUT OPINES MIGHT GET MORE REPRESSIVE IF TIMES  
GET HARDER. CALLS FOR ENLIGHTENED POLICY BY US TO  
PROVIDE HUMANITARIAN AID THAT MIGHT EASE FORMER ALLIES  
IN SVN THRU TROUBLED PERIOD, AS WELL AS KEEP HANOI FROM  
GROWING TOO COZY WITH USSR, PRC.

WSJ NOTES SUBORDINATION SVN TO NVN. COMMENTS THAT NVN  
GEN DUNG'S MEMOIRS CONFIRM WASHINGTON ASSERTIONS THAT  
US AID REDUCTIONS UNDERMINED SVN ABILITY FIGHT, AND  
THAT NVN DIRECTED VC/NLF WAR DESPITE PREVIOUS CLAIMS  
THAT WAS SEPARATE MOVEMENT IN SVN. ASSERTS WAR WAS  
BETWEEN 2 SEPARATE STATES, 1 OF WHICH INVADED OTHER.  
CONCLUDES THAT AGGRESSION, LIKE CRIME, SOMETIMES PAYS;  
AND WORLD CALLS SILENCE "PEACE."

12. KOREA

FROM SEOUL LACHICA (WSTAR SPECIAL 7/16) TELLS HOW ROK,  
WITH "CHARACTERISTIC DISREGARD" ECONOMIC ODDS, WILL  
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BECOME WORLD'S 13TH AUTO EXPORTING NATION LATER THIS  
YEAR, WHEN HYUNDAI MOTOR CO SHIPS TWO/THREE THOUSAND  
SUBCOMPACT "PONIES" TO ME FROM ULSAN PLANT. CITES  
BELIEF OF FORMER LEYLAND EXEC, GEO TRUMBULL, WHO HEADS  
FIRM, THAT HMC "CAN COMPETE" IN RELATIVELY SMALL MARKET

ON SAME BASIS OTHER CAR-MAKERS. TEST DRIVES ONE OF FIRST FOUR PONIES MADE, FINDS PERFORMANCE GOOD, NOTHING TINNY ABOUT IT.

JAMESON (LAT 7/16), IN SEOUL, DESCRIBES SK'S FLOURISHING GINSENG TRADE. REVIEWS CLAIMS, COUNTER-CLAIMS ABOUT POTENTIAL BENEFITS, INCLUDING APHRODISIAC EFFECT.

CHESIRE/ARMSTRONG (WP 7/18) DIG INTO "IMMENSE COMPLICATIONS" IN LIFE OF REP LEGGETT (CALIF). DESCRIBE FINANCIAL DRAIN CAUSED BY OUTLAYS TO SUPPORT SECOND FAMILY OF LONG-TIME MISTRESS, TWO CHILDREN OUT OF WEDLOCK. CLAIM HE BEGAN AFFAIR THREE YEARS AGO WITH KOREAN-BORN AIDE TO SPEAKER ALBERT, SUZI THOMPSON, WHO INTRODUCED HIM TO ROK EMBASSY OFFICIALS BELIEVED MEMBERS KCIA. NOTE LEGGETT SUBSEQUENTLY BEGAN PLACING PRO-PARK STATEMENTS IN CONGRESSIONAL RECORD. CITE LEGGETT INSISTENCE HAS RECEIVED NO CONTRIBUTIONS/GRATUITIES FOR SUCH PUBLIC PRAISE. HINT LEGGETT MAY HAVE BEEN INDISCREET IN HANDLING CLASSIFIED MIL DOCUMENTS TO WHICH HAS ACCESS AS MEMBER HASC.

#### COMMENT AND ANALYSIS

##### 13. JAPAN

NYT (7/19) NOT SURE WHETHER YEN HAS BEEN RISING "BECAUSE GOJ DECIDED ACCEDE WESTERN CRITICISM IT UNDervalued TO PROMOTE EXPORT SALES, OR "DESPISE" GOJ REFUSAL HALT FOREX MART INTERVENTION. CALLS FOR FIRMER GUIDELINES, UNDER IMF, TO DEFINE ACCEPTABLE INTERVENTION TO SMOOTH OUT FLUCTUATIONS, IN CONTRAST THAT WHICH APPEARS BE UNFAIR TRADE PRACTISE LIKELY INVITE RETAILIATION.

YOSHIZAKI (NYT SPECIAL, TOKYO) REVIEWS RECENT SPATE OF "SUNSHINE SUITS," IN WHICH PLAINTIFFS GENERALLY WIN DAMAGES FROM BUILDERS WHOSE HIGH-RISES PUT THEIR HOMES IN PERMANENT SHADE.  
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AMB HODGSON LETTER FROM TOKYO CONGRATULATES WSJ ON 4-PAGE JULY 2 FEATURE THAT REFLECTED "REMARKABLY EMPATHETIC INTEREST" JAPANESE SHOWED IN US BICENTENNIAL. HOPES PROF MORLEY MESSAGE PENETRATED HEARTS/MINDS OF READERS, ESPECIALLY SENTENCE THAT ASKED -- "WHEN WILL WE MAKE AN EFFORT TO STUDY AND UNDERSTAND JAPAN COMMENSURATE WITH ITS IMPORTANCE IN OUR NATIONAL LIFE?"

SUN (7/18) LAMENTS DISAPPEARANCE OF FIREFLIES FROM POLLUTION-BLIGHTEd URBAN AREAS IN JAPAN. NOTES SIMILAR TREND IN BALTIMORE, OTHER US URBAN AREAS, WHICH BESPEAKS MAN'S CAPABILITY TO DESTROY LONG-LIST OF NATURE'S MILLION-YEARS-OLD AMENITIES IN RELATIVELY BRIEF 200-YR-OLD INDUSTRIAL REVOLUTION.

WSJ GLOBAL REPORT REVIEWS SCRAMBLE FOR FOREIGN MONEY BY  
US COLLEGE FUND-RAISERS. OUTSIDE ME, NOTES JAPAN HAS  
GIVEN 10 MILLION DOLS TO 10 US UNIVERSITIES, TO ESTABLISH/  
SUPPORT JAPANESE STUDIES.

SUNDAY SUN MAGAZINE (7/18) HAS COVER STORY FEATURE ON  
RARE BONSAI COLLECTION JAPAN GAVE US AS BICENTENNIAL  
GIFT.

#### 14. MALAYSIA

ACCORDING ANDELMAN, IN KL, (NYT 7/18) FORCES OF RACIAL  
HATRED/BIGOTRY BY MALAYS IS FORCING THOUSANDS OF  
CHINESE, MOSTLY PROFESSIONAL, TO FLEE ELSEWHERE. EXPLAINS  
GOM POLICY OF "BUMIPUTRAIZATION" DESIGNED REDRESS BALANCE  
IN WHICH MINORITY OF CHINESE OWN FAR MORE OF NATION'S  
INDUSTRIAL ASSETS THAN MALAYS. CALLS IT CLEAR "CODE  
WORD FOR DISCRIMINATION."

#### 15. OLYMPICS

MOST COMMENTATORS DEPLORE INFLUENCE POLITICS ON GAMES.  
CDN (7/14) OPINES OLYMPIC TORCH DIMMED PERCEPTABLY  
WITH TAIWAN EXCLUSION AT "PETTY" INSISTENCE BY PRC  
THAT ROC NAME NOT BE USED. CHITRIB CRITICIZES CANADA  
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FOR BENDING TO PRC SENSITIVITIES; ADDS OBJECTION TO  
NZ HAS EVEN LESS SUBSTANCE. NYT CALLS POL STUBBORNNESS  
CRUEL, UNFAIR TO ATHLETES; SEES TAIWAN PROBLEM DUE  
CANADA'S TRYING IMPOSE OWN POL VIEWPOINT ON INTL GATHERING.

ELDRIDGE (CSM) WONDERS IF OLYMPIC POLITICS INEVITABLE;  
BELIEVES ONUS IS ON IOC FOR FAILURE RESOLVE TAIWAN  
DISPUTE; OPINES AFRICAN BOYCOTT AGAINST NZ FAILS  
ELICIT SYMPATHY SINCE DIRECTED AGAINST ONLY NZ, FREE  
COUNTRY WHERE GOVT DOES NOT DICTATE TO ATHLETES.  
TRUMBULL (NYT 7/17) BELIEVES MONTREAL'S CONTROVERSIES  
WILL OUTLAST OLYMPICS. NOTES TRUDEAU HAS DRAWN WIDESPREAD  
CRITICISM ON TAIWAN ISSUE. ISRAEL (WSTAR 7/16) STATES  
NO HONOR AMONG POLITICIANS AT MONTREAL. IMPLIES CANADA  
TRADE LINKS WITH PRC WERE IMPORTANT ASPECTS DECISION  
OVER TAIWAN.

#### 16. CHINA

ZORZA (WP) STATES MAO'S "IMPENDING DEATH" STARTING TO BE  
COVERTLY DISCUSSED IN PEKING PRESS, THOUGH ANALYSTS DI-  
VIDED AS TO WHAT IT MEANS. LACK OF ATTACKS AGAINST HUA  
HAS LED SOME EXPERTS CONCLUDE PEKING FACTIONS "SPURRED"

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BY EXPECTATION MAO'S DEATH, HAVE REACHED SOME SORT ACCOMMODATION--BUT EVIDENCE ALSO EXISTS TO CONTRARY. BOTH FACTIONS JOCKEYING FOR BEST POSITION AFTER MAO, AND MANEUVERINGS ON MILITIA/PURGES ISSUES DESIGNED GRASP MORE POWER FOR POSSIBLE SHOWDOWN. ZORZA BELIEVES THERE IS THIRD POWER CENTER TO COUNTER RADICAL/MODERATE FEUD: CHINESE MILITARY, WHO ARE IN "BEST POSITION TO FORM A TRANSITIONAL REGIME WHEN MAO GOES" UNLESS THEIR OWN DIVISIVENESS CAUSES THEM SIDE WITH ONE OR OTHER POL FACTION.

NYT 7/18 RUNS LETTER FROM NOVOSTI POL CORRESPONDENT VADIM NEKRASOV, WHO CLAIMS US PRESS OPENLY EXPRESS HOPE THAT CLOSER CONTACTS BETWEEN US-PRC WOULD INCREASE TENSION IN USSR-PRC RELS. SAYS PERIOD OF UNCERTAINTY IN PRC HAS BEEN USED BY SOME IN US TO HARDEN ANTI-SOVIET LINE IN CHINESE POLICY. STATES FOPOL STEPS "BY ONE OR ANOTHER

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COUNTRY" OFTEN HAVE NUMEROUS/UNFORSEEN CONSEQUENCES ' AROUND WORLD; BELIEVES PRC'S STANCE SUGGESTS THAT COUNTRIES IN GREATEST DANGER MAY BE "THOSE CHINESE NEIGHBORS WHOM PEKING CONSIDERS BOTH ECONOMICALLY AND MILITARILY WEAKER."

MATHEWS (WP 7/17), IN HONG KONG, NOTES THOSE RESPONSIBLE FOR RECENT PEOPLE'S DAILY ARTICLE THAT PRINTED "EXCRUCIATINGLY DETAILED" ACCOUNT OF TIEN AN MEN SQUARE RIOTS "MAY BE FEELING HEAT" FROM ANGRY/POWERFUL PRC LEADERS. TAIWAN REPORT QUOTES MAO'S WIFE THAT NCNA'S EDITORIAL DEPTS "VERY BAD," HAVE "TENG HSIAO-PING HENCHMEN IN THEM." 7/15 FRONT-PG ARTICLE INCLUDED OPENING PARAGRAPH WHICH PRAISED DECISION PUBLISH RIOT ACCOUNT, BUT PARAGRAPH ELIMINATED IN CHINESE-LANG BROADCASTS, ENGLISH NEWS AGNCY REPORTS; ANALYSTS SAY CENSORSHIP ACTION INDICATES GREAT SENSITIVITY ABOUT PARAGRAPH'S CONTENTS. MATHEWS OPINES "IT MAY BE A LONG TIME BEFORE CANDOR APPEARS AGAIN IN CHINA'S LEADING NEWSPAPER."

ALLEN WHITING, POL SCI PROF UNIV MICH, DOES HISTORICAL BACKGROUND PIECE ON TAIWAN (NYDN 7/11). SAYS TAIPEI OFFICIALS HAVE NO CAUSE FOR ALARM OVER US TERMINATION SECURITY TREATY: PEKING CAN SUPPORT ONLY 60,000 TROOPS WITH PRESENT AMPHIBIOUS/AIRBORNE CAPABILITY; TAIWAN HAS OVER 300,000 TROOPS, ARMED WITH 2.5 BIL DOLS US MIL AID. WHITING RULES OUT NUKE ATTACK "SINCE PEKING WANTS TO 'LIBERATE' TAIWAN INTACT." BELIEVES REAL FEARS CONCERN ECONOMICS, BUT "JAPANESE FORMULA" FOR US-PRC NORMALIZATION ABLE ALLEVIATE THIS ALSO. STATES "APPROPRIATE" LEGISLATIVE/EXECUTIVE ACTION IN WASHINGTON CAN SAFEGUARD TAIWAN AGAINST ECON DISRUPTION, IN TURN GUARANTEE POL STABILITY "REGARDLESS OF THE ISLAND'S INTL STATUS, AT LEAST

SO LONG AS CCK REMAINS ON THE SCENE."

WSTAR LETTER (7/17) TAKES ISSUE WITH 6/6 EDIT THAT CLAIMS MAINLANDERS HAVE GOVERNED TAIWAN SINCE 1948 BECAUSE NATIVES "SHORT ON EDUCATION AND GOVT EXPERIENCE." LETTER CLAIMS THERE HAVE BEEN NO EFFORTS CORRECT POWER IMBALANCES BY BRINGING TAIWANESE INTO GOVT; ASKS US, "ALL FREEDOM-LOVING PEOPLES" SPONSOR UN PLEBISCITE FOR SELF-DETERMINATION ON TAIWAN.

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17. GENERAL

WSTAR (7/16) NOTES 3RD WORLD ACTION "LIBERATE" SELVES FROM W NEWS SERVICES, FORM OWN PRESS POOL. SAYS GOVTS INVOLVED MOSTLY TYRANNICAL, WITH POWER DEPENDING ON SUPPRESSING CRITICISM, SUCH AS NK, VN.

HALLORAN (NYT 7/18) LOOKS AT POSTWAR REALIGNMENT IN SEA AS HANOI MOVES ESTABLISH LINKS WITH NEIGHBORS. QUOTES WASHINGTON ANALYST THAT WHEN SVN FELL, HANOI CONSTITUTED STRONGEST MIL POWER IN REGION. NOTES SKEPTICAL REACTION IN WASHINGTON TOWARD HANOI OVERTURES TO ASEAN NATIONS. QUOTES SEA SPECIALIST THAT VN TOO STRONG, DYNAMIC, MAY TURN OUTWARD WITH TOUGH DIPLOMACY/SUBVERSION AFTER DIGESTS SVN. OPINES THAT USSR NAVAL BASE AT CAM RANH, LONG SPECULATED, WOULD OUTRAGE PRC SO, IN VIEW WASHINGTON ANALYSTS, NOT LIKELY HAPPEN. REVIEWS PRC RELS WITH VN. QUOTES INFORMED WASHINGTON OBSERVER THAT SEA NATIONS MODERNIZING RELS IN LIGHT NEW REALITIES. KISSINGER

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**Line Count:** 520  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Office:** ORIGIN EA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 10  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** hackerp0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 FEB 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <25 FEB 2004 by ThomasVJ>; APPROVED <31 JAN 2005 by hackerp0>  
**Review Markings:**

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EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** JULY 19 EA PRESS SUMMARY  
**TAGS:** PFOR, XC, US  
**To:** ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS  
MOSCOW  
MULTIPLE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006